

## Message Text

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ACTION EB-08

INFO OCT-01 EA-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 HUD-02 STR-07 /084 W

-----074966 220406Z /20

R 220210Z MAY 78

FM AMCONSUL SAPPORO

TO SECSTATE WASHDC 529

INFO AMEMBASSY TOKYO

UNCLAS SAPPORO 0048

.O. 11652: N/A

TAGS: ECON, JA

SUBJECT: MITI PROJECTION OF 1978 ECONOMIC GROWTH IN HOKKAIDO

1. SUMMARY: REGIONAL MITI OFFICE PREDICTS 5.8 PCT REAL GROWTH IN HOKKAIDO ECONOMY DURING FY 1978. ALTHOUGH THIS IS BELOW THE 7 PCT NATIONAL GROWTH RATE GOAL, PROJECTION FOR TOTAL GOVERNMENT SPENDING IN HOKKAIDO IS IN LINE WITH NATIONAL POLICY OF STIMULATING GROWTH IN NONEXPORT ORIENTED SECTORS. END SUMMARY

2. RECENTLY THE SAPPORO REGIONAL OFFICE OF MITI PUBLISHED ITS PROJECTION OF THE HOKKAIDO ECONOMIC GROWTH FOR FY 78. THE GROSS PROVINCIAL PRODUCT IS EXPECTED TO RISE OY 5.8 PCT. ALTHOUGH THIS REPRESENTS A .9 PCT INCREASE OVER THE 77 GROWTH RATE, IT IS STILL BELOW THE PROJECTED 7 PCT NATIONAL GROWTH RATE.

3. THE GREATEST GROWTH WILL TAKE PLACE IN GOVERNMENT EXPENDITURES ON FIXED CAPITAL QUIPMENT (UP 15.1 PCT). ALTHOUGH THIS REPRESENTS A DECREASE FROM THE 77 19.5 PCT GROWTH FIGUR IN THIS CATEGORY, THE ACTUAL AMOUNT OF GOVERNMENT SPENDING IS STILL 160.3 BILLION YEN MORE THAN LAST YE YUJAFTER ADJUSTMENT FOR INFLATION. THIS INCREASE,  
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COUPLED WITH THE PROJECTED INCREASE IN GROWTH RATE AND AMOUNT EXPENDED IN BOTH GOVERNMENT AND INDIVIDUAL CONSUMPTION CATEGORIES, IS CONSISTENT WITH ANNOUNCED NATIONAL GOVERNMENT POLICY OF STIMULATING THE ECONOMY THROUGH DOMESTIC CONSUMPTION RATHER THAN EXPORTS.

4. INDIVIDUAL INVESTMENT IN HOUSING IS PROJECTED TO BE

THE SECOND FASTEST GROWING SECTOR WITH A GROWTH RATE OF 11.2 PCT. THIS IS IN SHARP CONTRAST TO BUSINESS CAPITAL EQUIPMENT EXPENDITURES WHICH REMAIN RELATIVELY STAGNANT AT 4.1 PCT. THE DYNAMIC GROWTH IN THE HOUSING INVESTMENTS SECTOR IS DUE TO EXPANSION OF HOUSING LOANS, LOWERING OF INTEREST RATES, AND EASING OF THEIR MORTGAGE TERMS. THE STRONG GROWTH IN THIS AREA IS ALSO REFLECTIVE OF THE POLICY OF STIMULATING DOMESTIC CONSUMPTION. OUTLINE OF MITI ESTIMATIONS FOLLOWS:

(IN BILLIONS OF YEN, ADJUSTED FOR INFLATION)

1976	1977	1978	REAL GROWTH RATE	
(FINAL	(INITIAL	76 TO	77 TO	
ESTIMATE)	ESTIMATE)	77	78	

INDIVIDUAL CONSUMPTION:

2521.3	2620.1	2759.2	3.9	5.3
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GOVERNMENT CONSUMPTION:

550.0	577.1	610.9	5.0	5.7
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INDIVIDUAL HOUSING INVESTMENT

348.7	383.2	476.1	9.9	11.2
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BUSINESS FIXED CAPITAL FORMATION:

688.0	740.5	771.2	7.6	4.1
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GOVERNMENT FIXED CAPITAL FORMATION:

724.4	865.4	996.0	19.5	15.1
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ADJUSTMENT FOR INCREASE IN STOCK, NET TRANSFERS INTO HOKKAIDO:

-585.6	-731.7	-851.7	24.9	16.4
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GROSS PROVINCIAL PRODUCT:

4246.8	4455.2	4711.7	4.9	5.8
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, ECONOMIC GROWTH  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978SAPPOR00048  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION EB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**SAS ID:** 2615048  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MITI PROJECTION OF 1978 ECONOMIC GROWTH IN HOKKAIDO  
**TAGS:** ECON, JA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/bfb60799-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014